

# Letting the Power Company Control Your AC

**Utilities Roll Out New Devices,  
Programs to Help Consumers  
Keep Their Energy Use Down**

By REBECCA SMITH, The Wall Street Journal  
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Utilities are rolling out more programs than ever to help consumers cut their energy use, motivated by cost considerations, pressure from regulators and increased consumer acceptance. In doing so, they hope to cut greenhouse-gas emissions from power plants, forestall the need for building new plants and put a brake on rising electricity costs.

Moving beyond traditional rebate programs, utilities are putting sophisticated tools in consumers' hands, such as online calculators, advanced electric meters, in-home displays, remote-control devices and innovative pricing plans. Some consumers say they're changing their energy habits as a result, a task that can be time-consuming but which many people say they find rewarding.



BlueLine Innovations

Barrington Hills, Ill., resident Nancy Hennelly and her family are participating in a voluntary program offered by Commonwealth Edison Co., a unit of **Exelon Corp.**, in which customers pay variable prices for electricity rather than a flat rate. Ms. Hennelly begins each day by checking a chart posted on the refrigerator by her husband, Patrick, which shows what's expected to happen with wholesale electricity prices that day. The information is available on a Web site ([www.thewattspot.com](http://www.thewattspot.com)<sup>4</sup>) to which ComEd customers are referred.

On a late June day, with temperatures in the mid-90s, power prices were expected to range from a low of 4 cents a kilowatt hour at 3 a.m. to a high of 10 cents by 4 p.m. As a result, Ms. Hennelly said she'd probably run the dishwasher overnight and "pre-chill" the house in the wee hours, then let the temperature gradually drift up as prices rose. "I guess it's the wave of the future," she says. "It's worked as far as saving money, but it's taken a lot of adjustments on my part." The family's utility bill for their 3,000-square-foot home has dropped about 12%, or \$20 to \$25 a month, under the program.

ComEd's program comes in response to a new Illinois law that requires utilities to offer "real-time" pricing programs so consumers have an incentive to shift their energy use away from the costliest periods. Over time, it should reduce overall power costs by tapping the most-expensive generating plants less. ComEd hopes to sign 100,000 households to the program by 2010, including 10,000 this year. Participants get a new electric meter that measures usage throughout the day.

In the Carolinas, **Progress Energy** Inc. has a slew of programs intended to double the amount of energy conserved to 2,000 megawatts in the next few years -- an amount equivalent to what four big power plants would produce. In June, it began distributing wireless devices that measure energy use by interacting with the electric meter. That allows people to switch appliances off and on and instantly see the savings, in money and kilowatt hours.

"Just giving people information has an impact on how they use energy," says Dana Yeganian, a spokeswoman for Progress Energy in Raleigh, N.C.

In California, utilities are midway through a \$2 billion program, which began last year and was devised by regulators, to promote "smarter" energy use. Southern California Edison, a unit of **Edison International**, has signed a thousand technicians for a new program in which the techs offer more extensive air-conditioning tune-ups when they make house calls, including testing and sealing leaky duct work. The program, funded with ratepayer dollars, is intended to make the units run more efficiently.

SoCal Edison also is recruiting customers to a "cycling" program that allows the utility to turn central air-conditioning units off and on with the help of a wireless controller. The goal is to get a 40% increase in participation, shaving peak electricity demand enough to idle a large power plant. The program involves the installation of a special controller on the air-conditioning unit, allowing it to be operated from a remote location.

Pasadena resident Lisa Burke signed up because it looked like an easy way to help the environment. She says her family wanted to put solar panels on its 4,500-square-foot home, "but it's just too expensive. This was something we could do at no added cost." Ms. Burke says her seven-year-old twins, Kara and Kelsey, studied global warming in school and now push her to reduce energy use. "Routines can change," Ms. Burke says. "You feel good when you do something positive rather than be wasteful."

In Northern California, Pacific Gas & Electric Co. has introduced an online tool that shows consumers the connection between energy consumption and greenhouse gas emissions. Customers can go to the online calculator ([www.pge.com/climatesmart](http://www.pge.com/climatesmart)<sup>5</sup>) and plug in numbers from their monthly bill, and the calculator shows how small changes in energy use or equipment could reap significant results.

For example, a household that swapped out 20 incandescent light bulbs for compact fluorescent bulbs could cut its share of emissions by 11%, or 680 pounds of carbon dioxide annually. It also could save money from a reduced power bill, more than outweighing the cost of 20 bulbs, which retail for less than \$20 locally. The utility, a unit of **PG&E Corp.** in San Francisco, is also enlisting signups for its new "ClimateSmart"

### The Power and the Glory

Utilities are ramping up their efficiency and conservation efforts. Among the newer initiatives:

- Putting devices on central air conditioners so that utilities can turn them on and off in order to cut energy use.
- Offering more rebates and incentives to consumers to encourage them to trim consumption.
- Giving consumers tools to control energy use, such as advanced meters and displays that show you how much energy different appliances are using.
- Rolling out rate plans with variable prices for power, so consumers can adjust their energy usage to less-expensive times of day.

program, in which it will make each home "carbon neutral" by obtaining carbon offsets, such as through reforestation efforts. The estimated cost to participants is a few dollars a month.

In a nationwide survey of 1,000 adults conducted for PG&E by Kelton Research, 71% of responders said it should be a "top priority" for companies "across America to do what they can to address climate change." A strong majority -- 81% -- agreed with the statement: "I would be willing to reduce my energy use to help fight global warming." There was little regional difference. Support was strongest in the Northeast and West, at 84% of respondents, while 77% expressed support in the South. Women were slightly more supportive than men.

Florida Power & Light, a unit of **FPL Group Inc.**, intends to unveil an Internet-based tool late this month that will let small-business owners calculate how much energy different processes or pieces of equipment use. The tool, developed by Nexus Energy Software Inc., suggests changes that can reap savings and details whether rebates or tax breaks are available. FPL has high hopes for the program. "We don't want to build another power plant just to meet seasonal demand," says FPL spokeswoman Sarah Marmion.

In New York, **Consolidated Edison Inc.** is seeking permission from regulators to triple the size of its ratepayer-funded conservation program in the next few years. It's tailoring its appeal to get reductions where they're needed most to help the grid. "It's very targeted," says Rebecca Craft, ConEd's director of energy efficiency.

Rocky Mountain Power, a unit of **Berkshire Hathaway Inc.**'s PacifiCorp, has 80,000 residential accounts that have signed up to its air-conditioning cycling program -- about a 35% penetration rate among households with central air-conditioning units. Participants get \$20 to \$25 as a sign of appreciation. "Half sign up for the money and half for the environmental benefit," says Bob Chiste, chief executive of Comverge Inc., East Hanover, N.J., program administrator for the Utah program and the real-time pricing program at ComEd in Chicago. "It's a very encouraging trend."

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